

AMENDED IN SENATE JANUARY 7, 2008

AMENDED IN SENATE APRIL 25, 2007

SENATE BILL

No. 482

Introduced by Senator Yee

February 22, 2007

An act to amend Section 1950.5 of, and to add Section 1950.55 to, the Civil Code, relating to residential tenancies.

LEGISLATIVE COUNSEL'S DIGEST

SB 482, as amended, Yee. Residential tenancies: security deposits.

Existing law limits the amount or value of security that a landlord may demand or receive for residential property that is used as the dwelling of the tenant to 2 months' rent for unfurnished residential property and 3 months' rent for furnished property. Existing law defines a "security" for purposes of these provisions to include a payment, fee, deposit, or charge that is imposed at the beginning of a tenancy to be used to reimburse the landlord for costs associated with processing a new tenant or that is imposed as an advance payment of rent, as specified. These provisions impose various notice requirements on the landlord, require the landlord to issue an itemized statement regarding the security and return the remaining portion of the security to the tenant, and authorize a tenant to make a request for documentation after receiving the statement, as specified. The bad faith claim or retention of the security or a portion thereof by the landlord or the landlord's successor in interest in violation of these provisions may subject the landlord to statutory damages of up to twice the amount of the security, in addition to actual damages. Existing law also prohibits a lease or rental agreement from containing any provision characterizing any security as "nonrefundable."

Existing law also regulates the actions of debt collectors under the Rosenthal Fair Debt Collection Practices Act. The act authorizes debtors to recover civil remedies, including actual and punitive damages, if a debt collector violates provisions of the act.

This bill would revise the definition of a security to additionally specify that it is imposed by a landlord. The bill would authorize a tenant to purchase a bond or commercial insurance policy to secure the performance of the terms and conditions of a rental agreement, in lieu of posting a security deposit with the landlord. The bill would provide that a tenant who purchases a bond or commercial insurance policy would be afforded all the notice and other rights provided pursuant to these provisions for security deposits, and, for purposes of these provisions, that bond or commercial insurance policy, excluding any premium paid for the bond or commercial insurance policy, would be treated as a security. The bill would provide that the premium paid for the bond or commercial insurance policy, unlike a security deposit, could be characterized as nonrefundable.

The bill would also create a comprehensive set of requirements for surety bonds purchased in this connection. Among other things, the bill would *authorize an applicant for tenancy to purchase a security bond if the initial rental agreement calls for a tenancy of at least 6 months duration in a unit that is one of 16 or more rental units at the same location that are managed by the same landlord. The bill would prohibit a landlord from requiring a surety bond or from being required offering an applicant an inducement to accept one. The bill would prohibit a landlord from using the type of security an applicant elects as a factor in evaluating his or her application for tenancy.* The bill would require a surety to refund payments made by an applicant under certain circumstances, including if the parties do not enter a lease, and to provide certain disclosures, and if the surety fails to comply with the bill's requirements, the surety would forfeit the right to make a claim against the purchaser of the bond. The bill would permit an applicant or tenant to recover specified amounts and attorney's fees from the landlord if the landlord requires the amount of the surety bond to be in excess of certain limits. The bill would require that any claim for damages be made against the tenant prior to seeking reimbursement from the surety. The bill would require that any surety bond issued in this connection be issued by a carrier admitted in this state. *The bill would prohibit a surety from initiating any civil cause of action against a tenant or former tenant for at least 30 days after receiving from the*

landlord a claim for reimbursement under the surety bond and would require the surety to provide the tenant or former tenant with an opportunity to dispute the claim. In addition, the bill would prohibit the surety from providing adverse information to a credit reporting agency regarding a tenant until the surety has won a civil judgment against the tenant in a California court.

The bill would also provide that a surety is a “debt collector” for purposes of the Rosenthal Fair Debt Collection Practices Act, and would provide that a tenant or former tenant alleging that a surety has violated any provision of the act may file a civil cause of action and recover remedies under the act.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1950.5 of the Civil Code is amended to
2 read:
3 1950.5. (a) This section applies to security for a rental
4 agreement for residential property that is used as the dwelling of
5 the tenant.
6 (b) (1) As used in this section, “security” means any payment,
7 fee, deposit or charge, including, but not limited to, any payment,
8 fee, deposit, or charge, except as provided in Section 1950.6, that
9 is imposed at the beginning of the tenancy by a landlord to be used
10 to reimburse the landlord for costs associated with processing a
11 new tenant or that is imposed as an advance payment of rent, used
12 or to be used for any purpose, including, but not limited to, any of
13 the following:
14 (A) The compensation of a landlord for a tenant’s default in the
15 payment of rent.
16 (B) The repair of damages to the premises, exclusive of ordinary
17 wear and tear, caused by the tenant or by a guest or licensee of the
18 tenant.
19 (C) The cleaning of the premises upon termination of the tenancy
20 necessary to return the unit to the same level of cleanliness it was
21 in at the inception of the tenancy. The amendments to this
22 paragraph enacted by the act adding this sentence shall apply only
23 to tenancies for which the tenant’s right to occupy begins after
24 January 1, 2003.

1 (D) To remedy future defaults by the tenant in any obligation
2 under the rental agreement to restore, replace, or return personal
3 property or appurtenances, exclusive of ordinary wear and tear, if
4 the security deposit is authorized to be applied thereto by the rental
5 agreement.

6 (2) A tenant may purchase a bond or commercial insurance
7 policy to secure the performance of the terms and conditions of a
8 rental agreement in lieu of posting a security deposit, with the
9 landlord. A tenant who purchases that bond or policy shall be
10 entitled to all of the notice and other rights provided by this section
11 and, for purposes of this section, the bond or policy, excluding any
12 premium paid for it, shall be treated as a security.

13 (c) A landlord may not demand or receive security, however
14 denominated, in an amount or value in excess of an amount equal
15 to two months' rent, in the case of unfurnished residential property,
16 and an amount equal to three months' rent, in the case of furnished
17 residential property, in addition to any rent for the first month paid
18 on or before initial occupancy.

19 This subdivision does not prohibit an advance payment of not
20 less than six months' rent if the term of the lease is six months or
21 longer.

22 This subdivision does not preclude a landlord and a tenant from
23 entering into a mutual agreement for the landlord, at the request
24 of the tenant and for a specified fee or charge, to make structural,
25 decorative, furnishing, or other similar alterations, if the alterations
26 are other than cleaning or repairing for which the landlord may
27 charge the previous tenant as provided by subdivision (e).

28 (d) Any security shall be held by the landlord for the tenant who
29 is party to the lease or agreement. The claim of a tenant to the
30 security shall be prior to the claim of any creditor of the landlord.

31 (e) The landlord may claim of the security only those amounts
32 as are reasonably necessary for the purposes specified in paragraph
33 (1) of subdivision (b). The landlord may not assert a claim against
34 the tenant or the security for damages to the premises or any
35 defective conditions that preexisted the tenancy, for ordinary wear
36 and tear or the effects thereof, whether the wear and tear preexisted
37 the tenancy or occurred during the tenancy, or for the cumulative
38 effects of ordinary wear and tear occurring during any one or more
39 tenancies.

(f) (1) Within a reasonable time after notification of either party's intention to terminate the tenancy, or before the end of the lease term, the landlord shall notify the tenant in writing of his or her option to request an initial inspection and of his or her right to be present at the inspection. The requirements of this subdivision do not apply when the tenancy is terminated pursuant to subdivision (2), (3), or (4) of Section 1161 of the Code of Civil Procedure. At a reasonable time, but no earlier than two weeks before the termination or the end of lease date, the landlord, or an agent of the landlord, shall, upon the request of the tenant, make an initial inspection of the premises prior to any final inspection the landlord makes after the tenant has vacated the premises. The purpose of the initial inspection shall be to allow the tenant an opportunity to remedy identified deficiencies, in a manner consistent with the rights and obligations of the parties under the rental agreement, in order to avoid deductions from the security. If a tenant chooses not to request an initial inspection, the duties of the landlord under this subdivision are discharged. If an inspection is requested, the parties shall attempt to schedule the inspection at a mutually acceptable date and time. The landlord shall give at least 48 hours' prior written notice of the date and time of the inspection if either a mutual time is agreed upon, or if a mutually agreed time cannot be scheduled but the tenant still wishes an inspection. The tenant and landlord may agree to forgo the 48-hour prior written notice by both signing a written waiver. The landlord shall proceed with the inspection whether the tenant is present or not, unless the tenant previously withdrew his or her request for the inspection.

(2) Based on the inspection, the landlord shall give the tenant an itemized statement specifying repairs or cleaning that are proposed to be the basis of any deductions from the security the landlord intends to make pursuant to subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (b). This statement shall also include the texts of subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (b). The statement shall be given to the tenant, if the tenant is present for the inspection, or shall be left inside the premises.

(3) The tenant shall have the opportunity during the period following the initial inspection until termination of the tenancy to remedy identified deficiencies, in a manner consistent with the

1 rights and obligations of the parties under the rental agreement, in
2 order to avoid deductions from the security.

3 (4) Nothing in this subdivision shall prevent a landlord from
4 using the security for deductions itemized in the statement provided
5 for in paragraph (2) that were not cured by the tenant so long as
6 the deductions are for damages authorized by this section.

7 (5) Nothing in this subdivision shall prevent a landlord from
8 using the security for any purpose specified in subparagraphs (A)
9 to (D), inclusive, of paragraph (1) of subdivision (b) that occurs
10 between completion of the initial inspection and termination of
11 the tenancy or was not identified during the initial inspection due
12 to the presence of a tenant's possessions.

13 (g) (1) No later than 21 calendar days after the tenant has
14 vacated the premises, but not earlier than the time that either the
15 landlord or the tenant provides a notice to terminate the tenancy
16 under Section 1946 or 1946.1, Section 1161 of the Code of Civil
17 Procedure, or not earlier than 60 calendar days prior to the
18 expiration of a fixed-term lease, the landlord shall furnish the
19 tenant, by personal delivery or by first-class mail, postage prepaid,
20 a copy of an itemized statement indicating the basis for, and the
21 amount of, any security received and the disposition of the security
22 and shall return any remaining portion of the security to the tenant.

23 (2) Along with the itemized statement, the landlord shall also
24 include copies of documents showing charges incurred and
25 deducted by the landlord to repair or clean the premises, as follows:

26 (A) If the landlord or landlord's employee did the work, the
27 itemized statement shall reasonably describe the work performed.
28 The itemized statement shall include the time spent and the
29 reasonable hourly rate charged.

30 (B) If the landlord or landlord's employee did not do the work,
31 the landlord shall provide the tenant a copy of the bill, invoice, or
32 receipt supplied by the person or entity performing the work. The
33 itemized statement shall provide the tenant with the name, address,
34 and telephone number of the person or entity, if the bill, invoice,
35 or receipt does not include that information.

36 (C) If a deduction is made for materials or supplies, the landlord
37 shall provide a copy of the bill, invoice, or receipt. If a particular
38 material or supply item is purchased by the landlord on an ongoing
39 basis, the landlord may document the cost of the item by providing
40 a copy of a bill, invoice, receipt, vendor price list, or other vendor

1 document that reasonably documents the cost of the item used in
2 the repair or cleaning of the unit.

3 (3) If a repair to be done by the landlord or the landlord's
4 employee cannot reasonably be completed within 21 calendar days
5 after the tenant has vacated the premises, or if the documents from
6 a person or entity providing services, materials, or supplies are not
7 in the landlord's possession within 21 calendar days after the tenant
8 has vacated the premises, the landlord may deduct the amount of
9 a good faith estimate of the charges that will be incurred and
10 provide that estimate with the itemized statement. If the reason for
11 the estimate is because the documents from a person or entity
12 providing services, materials, or supplies are not in the landlord's
13 possession, the itemized statement shall include the name, address,
14 and telephone number of the person or entity. Within 14 calendar
15 days of completing the repair or receiving the documentation, the
16 landlord shall complete the requirements in paragraphs (1) and (2)
17 in the manner specified.

18 (4) The landlord need not comply with paragraph (2) or (3) if
19 either of the following apply:

20 (A) The deductions for repairs and cleaning together do not
21 exceed one hundred twenty-five dollars (\$125).

22 (B) The tenant waived the rights specified in paragraphs (2) and
23 (3). The waiver shall only be effective if it is signed by the tenant
24 at the same time or after a notice to terminate a tenancy under
25 Section 1946 or 1946.1 has been given, a notice under Section
26 1161 of the Code of Civil Procedure has been given, or no earlier
27 than 60 calendar days prior to the expiration of a fixed-term lease.
28 The waiver shall substantially include the text of paragraph (2).

29 (5) Notwithstanding paragraph (4), the landlord shall comply
30 with paragraphs (2) and (3) when a tenant makes a request for
31 documentation within 14 calendar days after receiving the itemized
32 statement specified in paragraph (1). The landlord shall comply
33 within 14 calendar days after receiving the request from the tenant.

34 (6) Any mailings to the tenant pursuant to this subdivision shall
35 be sent to the address provided by the tenant. If the tenant does
36 not provide an address, mailings pursuant to this subdivision shall
37 be sent to the unit that has been vacated.

38 (h) Upon termination of the landlord's interest in the premises,
39 whether by sale, assignment, death, appointment of receiver or
40 otherwise, the landlord or the landlord's agent shall, within a

1 reasonable time, do one of the following acts, either of which shall
2 relieve the landlord of further liability with respect to the security
3 held:

4 (1) Transfer the portion of the security remaining after any
5 lawful deductions made under subdivision (e) to the landlord's
6 successor in interest. The landlord shall thereafter notify the tenant
7 by personal delivery or by first-class mail, postage prepaid, of the
8 transfer, of any claims made against the security, of the amount
9 of the security deposited, and of the names of the successors in
10 interest, their address, and their telephone number. If the notice to
11 the tenant is made by personal delivery, the tenant shall
12 acknowledge receipt of the notice and sign his or her name on the
13 landlord's copy of the notice.

14 (2) Return the portion of the security remaining after any lawful
15 deductions made under subdivision (e) to the tenant, together with
16 an accounting as provided in subdivision (g).

17 (i) Prior to the voluntary transfer of a landlord's interest in the
18 premises, the landlord shall deliver to the landlord's successor in
19 interest a written statement indicating the following:

20 (1) The security remaining after any lawful deductions are made.

21 (2) An itemization of any lawful deductions from any security
22 received.

23 (3) His or her election under paragraph (1) or (2) of subdivision
24 (h).

25 This subdivision does not affect the validity of title to the real
26 property transferred in violation of this subdivision.

27 (j) In the event of noncompliance with subdivision (h), the
28 landlord's successors in interest shall be jointly and severally liable
29 with the landlord for repayment of the security, or that portion
30 thereof to which the tenant is entitled, when and as provided in
31 subdivisions (e) and (g). A successor in interest of a landlord may
32 not require the tenant to post any security to replace that amount
33 not transferred to the tenant or successors in interest as provided
34 in subdivision (h), unless and until the successor in interest first
35 makes restitution of the initial security as provided in paragraph
36 (2) of subdivision (h) or provides the tenant with an accounting as
37 provided in subdivision (g).

38 This subdivision does not preclude a successor in interest from
39 recovering from the tenant compensatory damages that are in

1 excess of the security received from the landlord previously paid
2 by the tenant to the landlord.

3 Notwithstanding this subdivision, if, upon inquiry and reasonable
4 investigation, a landlord's successor in interest has a good faith
5 belief that the lawfully remaining security deposit is transferred
6 to him or her or returned to the tenant pursuant to subdivision (h),
7 he or she is not liable for damages as provided in subdivision (l),
8 or any security not transferred pursuant to subdivision (h).

9 (k) Upon receipt of any portion of the security under paragraph
10 (1) of subdivision (h), the landlord's successors in interest shall
11 have all of the rights and obligations of a landlord holding the
12 security with respect to the security.

13 (l) The bad faith claim or retention by a landlord or the
14 landlord's successors in interest of the security or any portion
15 thereof in violation of this section, or the bad faith demand of
16 replacement security in violation of subdivision (j), may subject
17 the landlord or the landlord's successors in interest to statutory
18 damages of up to twice the amount of the security, in addition to
19 actual damages. The court may award damages for bad faith
20 whenever the facts warrant that award, regardless of whether the
21 injured party has specifically requested relief. In any action under
22 this section, the landlord or the landlord's successors in interest
23 shall have the burden of proof as to the reasonableness of the
24 amounts claimed or the authority pursuant to this section to demand
25 additional security deposits.

26 (m) (1) Except as otherwise provided in paragraph (2), a lease
27 or rental agreement may not contain any provision characterizing
28 any security imposed by the landlord as "nonrefundable."

29 (2) A premium paid for a bond or commercial insurance policy
30 to secure the performance of the terms and conditions of a rental
31 agreement may be characterized as "nonrefundable" in a lease or
32 rental agreement.

33 (n) Any action under this section may be maintained in small
34 claims court if the damages claimed, whether actual or statutory
35 or both, are within the jurisdictional amount allowed by Section
36 116.220 or 116.221 of the Code of Civil Procedure.

37 (o) Proof of the existence of and the amount of a security deposit
38 may be established by any credible evidence, including, but not
39 limited to, a canceled check, a receipt, a lease indicating the
40 requirement of a deposit as well as the amount, prior consistent

1 statements or actions of the landlord or tenant, or a statement under
2 penalty of perjury that satisfies the credibility requirements set
3 forth in Section 780 of the Evidence Code.

4 (p) The amendments to this section made during the 1985
5 portion of the 1985–86 Regular Session of the Legislature that are
6 set forth in subdivision (e) are declaratory of existing law.

7 (q) The amendments to this section made during the 2003
8 portion of the 2003–04 Regular Session of the Legislature that are
9 set forth in paragraph (1) of subdivision (f) are declaratory of
10 existing law.

11 SEC. 2. Section 1950.55 is added to the Civil Code, to read:

12 1950.55. (a) An applicant for tenancy may purchase a surety
13 bond to compensate a landlord for claims that are made pursuant
14 to subdivision (b) of Section 1950.5, *if the initial rental agreement*
15 *calls for a tenancy of at least six months duration in a unit that is*
16 *one of 16 or more rental units at the same location that are*
17 *managed by the same landlord.*

18 (b) The purchase of that surety bond does not expand or diminish
19 the requirements of 1950.5.

20 (c) A landlord shall not require an applicant for tenancy to
21 purchase a surety bond ~~and shall not be required to offer or agree~~
22 ~~to the purchase of a surety bond or offer the applicant an~~
23 ~~inducement to purchase a surety bond.~~

24 (d) *A landlord shall not be required to offer or to agree to the*
25 *purchase of a surety bond.*

26 (e) *A landlord who accepts from tenants the purchase of a surety*
27 *bond as security shall not use the type of security an applicant*
28 *elects as a factor in evaluating his or her application for tenancy.*

29 ~~(d)~~

30 (f) Upon verification from the landlord, the surety shall refund
31 the payment that was made to the surety for the cost of the bond
32 to the applicant within five business days of the purchase of the
33 bond if any of the following are true:

34 (1) The landlord does not accept the surety bond.

35 (2) The surety bond is not in force at the time of the hiring.

36 (3) The applicant does not enter into a lease or rental agreement
37 with the prospective landlord.

38 ~~(e)~~

1 (g) If an applicant for tenancy purchases a surety bond, the
2 aggregate amount of the surety bond shall not exceed the statutory
3 limits of a security deposit as prescribed in Section 1950.5.

4 ~~(f)~~

5 (h) If a landlord consents to the purchase of a surety bond by
6 the applicant but requires the surety bond to be in an amount in
7 excess of the statutory limits of a security deposit as prescribed in
8 Section 1950.5, which is in addition to any rent for the first month
9 paid on or before the initial occupancy and except as provided in
10 Section 1950.6, the applicant or tenant shall recover from the
11 landlord up to three times the extra amount paid plus reasonable
12 attorney's fees.

13 ~~(g)~~

14 (i) Prior to the purchase of a surety bond, the surety shall
15 disclose in writing to the applicant all of the following:

16 (1) Applicants are not required to purchase and landlords are
17 not required to offer or accept a surety bond.

18 (2) Payment for a surety bond is nonrefundable unless the
19 payment is refunded as required in subdivision (d).

20 (3) The surety bond is not insurance.

21 (4) The requirements of the surety bond are required to be
22 consistent with the provisions of Section 1950.5.

23 (5) Individuals that purchase the surety bond may be required
24 to reimburse the surety for amounts the surety ~~pays to the landlord~~
25 *is obligated to pay the landlord under a bond contract* for claims
26 that are consistent with Section 1950.5.

27 (6) If a surety bond is purchased, the tenant is required to comply
28 with the rental or lease agreement and statutory and decisional
29 law.

30 (7) *Individuals that purchase a surety bond may, pursuant to*
31 *paragraph (2) of subdivision (f) of Section 1950.5, receive from*
32 *the landlord an itemized statement specifying repairs or cleaning*
33 *that are proposed to be the basis for any claim against the surety*
34 *bond.*

35 (8) *Individuals that purchase a surety bond may, pursuant to*
36 *paragraph (3) of subdivision (f) of Section 1950.5, remedy, during*
37 *the period following the initial inspection until termination of the*
38 *tenancy, any deficiencies that the landlord has identified.*

39 ~~(h)~~

1 (j) A tenant or applicant shall receive a copy of the surety bond
2 at the time of the purchase of the surety bond.

3 ~~(i)~~

4 (k) A tenant shall pay all damages as defined in Section 1950.5
5 to the landlord while in legal possession of the residential property
6 and, if the tenant fails to pay the landlord, the surety shall pay the
7 landlord.

8 ~~(j)~~

9 (l) If the surety fails to comply with the requirements of this
10 section, the surety forfeits the right to make a claim against the
11 individual that purchased the surety bond.

12 ~~(k)~~

13 (m) Except as provided in this section, a surety shall not, directly
14 or indirectly, make any other payment to a landlord.

15 ~~(l)~~

16 (n) A landlord shall make a lawful claim for damages solely
17 against the tenant prior to seeking reimbursement for damages
18 from the surety bond.

19 ~~(m)~~

20 (o) If a tenant pays for the damages directly to the landlord and
21 that payment fully satisfies the claim for damages, the landlord
22 shall not seek reimbursement from the surety bond.

23 (p) *If, after a landlord has sought reimbursement from the surety*
24 *bond, a tenant pays in full for the damages directly to the landlord,*
25 *the landlord shall notify the surety that the payment has been made*
26 *and the surety, upon receipt of this notification, shall cease any*
27 *collection activities against the tenant.*

28 ~~(n)~~

29 (q) In any proceeding brought by the surety against the tenant
30 or a former tenant on a surety bond under this section, the tenant
31 or former tenant shall retain the defenses otherwise available in a
32 civil proceeding between a tenant and a landlord under this section
33 and damages may only be awarded to the surety to the extent that
34 the tenant would have been liable to the landlord under this section.

35 (r) *The surety shall not initiate any civil cause of action against*
36 *a tenant or former tenant for at least 30 days after receiving from*
37 *a landlord a claim for reimbursement under the surety bond.*

38 (s) *Prior to filing any civil cause of action against a tenant or*
39 *a former tenant, the surety shall provide the tenant or former tenant*
40 *with a reasonable opportunity to dispute the claim with the surety*

1 *by phone or in writing. The surety shall, upon request, provide the*
2 *tenant or former tenant with a written list of all damages for which*
3 *the landlord has sought reimbursement from the surety.*

4 *(t) A surety that makes a payment under a surety bond to a*
5 *landlord as reimbursement for damages the landlord claims a*
6 *tenant or former tenant has caused shall not report any adverse*
7 *information regarding the tenant to a credit reporting agency*
8 *unless and until the surety has won a civil judgment against the*
9 *tenant in a California court.*

10 *(u) A surety shall be considered a “debt collector” under Section*
11 *1788.2 of the Rosenthal Fair Debt Collections Practices Act (Title*
12 *1.6C (commencing with Section 1788) of Part 4 of Division 2). A*
13 *tenant or former tenant alleging that a surety has violated any*
14 *provision of this section may file a civil cause of action under the*
15 *Rosenthal Fair Debt Collection Practices Act and would be entitled*
16 *to the remedies set forth in Section 1788.30.*

17 ~~(o)~~

18 *(v) If a landlord’s interest in the leased premises is conveyed,*
19 *the successor shall accept the tenant’s surety bond and the surety*
20 *bond shall remain in full force and effect.*

21 ~~(p)~~

22 *(w) If a surety, in an action against the tenant, asserts a claim*
23 *under the surety bond without having a reasonable basis to assert*
24 *the claim, the court may grant the tenant or former tenant damages*
25 *of up to three times the amount claimed plus reasonable attorney’s*
26 *fees.*

27 ~~(q)~~

28 *(x) A surety bond issued under this section may only be issued*
29 *by an admitted carrier licensed by the Department of Insurance.*

30 ~~(r)~~

31 *(y) Any waiver of the provisions of this section is contrary to*
32 *public policy and is void and unenforceable.*